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AMEMBASSY THE HAGUE PRIORITY
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY

S E C R E T STATE 031941

SIPDIS

E.O. 12958: DECL: 03/27/2033 TAGS: PARM MTCRE PREL ETTC IR NL

SUBJECT: (S) FOLLOWING-UP WITH THE NETHERLANDS ON A DUTCH FIRM'S EFFORTS TO ASSIST IRANIAN UAV DEVELOPMENT ORGANIZATION

REF: A. 05 STATE 145292

1B. 05 STATE 164496

1C. 05 THE HAGUE 002478

1D. 05 STATE 172807

1E. 05 THE HAGUE 002555

1F. 05 THE HAGUE 003283

1G. 05 STATE 229063

1H. 05 THE HAGUE 003397

1I. 06 STATE 159373

1J. 06 THE HAGUE 2139

1K. 07 THE HAGUE 000037

1L. STATE 015228

1M. THE HAGUE 000174

1N. THE HAGUE 000225

Classified By: ISN/MTR DIRECTOR PAMELA K. DURHAM; FOR REASONS 1.5 (B), (C) AND (D).

- $\underline{\mbox{\bf 1}}\mbox{\bf 1}.$ This is an action request. Embassy The Hague, please see paragraph 4.
- 12. (S) Background and Objective: In February 2008, the U.S. alerted the government of the Netherlands (GON) to efforts by the Dutch firm Inter Connection Technologies (InCo Tech) to supply high-density military-grade connectors used in aviation applications to Iran's unmanned aerial vehicle (UAV) program (Ref L). GON officials responded by confirming that InCo Tech had consulted with the Dutch Ministry of Economic Affairs about this export in December 2007. However, the GON had concluded that the export of these connectors to Iran did not pose a proliferation risk and informed InCo Tech that it had no objection to this transaction going forward (Ref N). Despite this decision, the GON indicated to Post (Ref N) that it would be willing to reconsider the matter if the U.S. could demonstrate that this shipment to Iran was of proliferation concern. Dutch officials also noted that, because exports generally occur several months after an official approval is received, it is possible that these connectors may not yet have been transferred to Iran.
- 13. (S) We want to follow-up with Dutch officials to urge them to re-examine this case and take measures, if possible, to prevent these items from being exported to Iran. In particular, we want to emphasize that because these dual-use connectors are likely intended to support Iran's UAV development efforts, there appears to be a clear basis for the application of the Netherland's catch-all control authorities. We also want to note that the deal was referred to InCo Tech by the Dutch firm Aviation Services International (ASI), whose extensive dealings with Iran's UAV program prompted the GON to issue a catch-all control licensing requirement in 2007 to suspend further exports by ASI to Iran (Refs A-K).
- 14. (S) Action Request: Request Embassy The Hague approach appropriate host government officials to deliver talking points/non-paper in paragraph 5 and report response. Talking points also may be provided as a non-paper.

(SECRET REL NETHERLANDS)

- -- In the spirit of our nonproliferation partnership, we would like to follow-up with you on a recent case involving activity of potential proliferation concern.
- -- In February 2008, the U.S. alerted you to information concerning efforts by the Dutch firm Inter Connection Technologies (InCo Tech) to supply military-grade connectors to Iran.
- -- We understood that these connectors would be used to support Iran's unmanned aerial vehicle (UAV) development efforts.
- -- During our initial discussions of this case, we noted that this order was referred to InCo Tech by the Netherlands-based company Aviation Services International (ASI), which has worked to supply Iran's Ghoods Aviation Center with turbojet engines and components suitable for UAV applications.
- -- As you are aware from our past discussions of ASI's business dealings in Iran, Ghoods Aviation Center is responsible for overseeing Iran's UAV program.
- -- This cooperation between ASI and Ghoods Aviation Center led your government in early 2007 to issue a catch-all licensing requirement aimed at suspending exports from ASI to Tran.
- -- However, in this recent case involving InCo Tech, you responded that your government determined that these connectors did not pose a proliferation risk and therefore did not object to their export to Iran.
- -- Although not controlled by the Missile Technology Control Regime (MTCR), we understand that the connectors being offered to Iran are high-density military grade connectors suitable for UAV applications.
- -- Because our information also indicated that these dual-use connectors are likely intended to support Iran's UAV development efforts, we believe there is a clear basis for the application of your catch-all controls, particularly given that InCo Tech became involved in this deal based on a referral from an entity that has an extensive history of supplying Iran's UAV program.
- -- Such exports also exemplify why the MTCR Partners agreed in 2003 to include national catch-all requirements in the Guidelines of the Regime: catch-all controls provide a legal basis to control the export of items destined for use by programs of concern.
- -- We therefore hope you will re-examine this case and, if possible, use your catch-all control authorities to prevent this export by InCo Tech to Iran.
- -- We look forward to continued cooperation on nonproliferation issues and to hearing of any actions your government takes in response to this information at the earliest possible time.

End talking points/nonpaper.

- $\P6$. (U) Washington POC is ISN/MTR James Mayes (Phone: 202-647-3185). Please slug any reporting on this issue for ISN/MTR, EUR/WE, and EUR/PRA.
- $\underline{\ \ }17.$ (U) A word version of this document will be posted at www.state.sgov.gov/demarche in the "MTAG EUR" folder. RICE

End Cable Text